

## Message Text

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ACTION IO-10

INFO OCT-01 ISO-00 AGR-10 AID-05 EB-07 COME-00 TRSE-00

OIC-02 AF-06 ARA-10 EA-10 EUR-12 NEA-10 CIAE-00

INR-07 NSAE-00 L-03 SP-02 NSC-05 CIEP-02 SS-15 STR-04

OMB-01 CEA-01 FRB-01 USIA-15 XMB-04 OPIC-06 LAB-04

SIL-01 OES-05 /159 W

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R 020817Z JUN 75

FM USMISSION GENEVA

TO SECSTATE WASHDC 3413

INFO AMEMBASSY ROME

UNCLAS SECTION 1 OF 2 GENEVA 4094

PASS AGRICULTURE FOR DON PAARLBERT AND RALPH PHILLIPS

E.O. 11652: N/A

TAGS: FAO, UNWF, FODAG

SUBJECT: REPORT ON AD HOC CONSULTATION ON INTERNATIONAL  
AGRICULTURAL ADJUSTMENT

FOLLOWING REPORT PREPARED BY U.S. DELEGATION TO SUBJECT  
MEETING IN ROME.

SUMMARY: DESPITE LATE DOCUMENTATION, DELEGATES RESPONDED  
IN SHORTENED SESSION TO RESIVE GUIDELINES AND ADOPTED 11  
CONSIDERED AS USEFUL BY WORKING PARTY FOR INTERNATIONAL  
AGRICULTURAL ADJUSTMENT. THESE WILL BE PRESENTED TO FAO  
COUNCIL AT JUNE MEETING WITH SUGGESTION OF REVIEW BY CCP IN  
OCTOBER AFTER CIRUCLATION TO GOVERNMEENTS. DRAFT POSITION FOR  
COUNCIL AGENDA ITEM AND REVISED GUIDELINES LISTED FOR  
US DELEGATION TO FAO. END SUMMARY.

1. AD HOC WORKING PARTY ON PROPOSED STRATEGY OF AGRICULTURAL  
ADJUSTMENT, ATTENDED BY REPRESENTATIVES OF 35 MEMBER COUNTRIES  
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(17 OF WHICH SENT REPRESENTATIVES FROM CAPITALS), CLOSED FOUR-

DAY MEETING WHICH REDRAFTED 10 GUIDELINES SUBMITTED BY FAO SECRETARIAT AND ADDED ONE RELATING TO NUTRITION.

2. LATE ISSUANCE DOCUMENTATION CL66/9 RESULTED IN DELAYING SUBSTANTIVE DISCUSSION ONE DAY. SPIRIT OF COOPERATION PREVAILED THROUGHOUT MEETING WITHOUT CONFRONTATION ON ISSUES BETWEEN DC AND LDC COUNTRIES. WORKING PARTY DECIDED CONFINE EFFORTS TO DEVELOPING SET OF USEFUL GUIDELINES ON WHICH WORKING PARTY MIGHT AGREE. SECRETARIAT EXT ACCOMPANYING DRAFT GUIDELINES WAS OPENED FOR COMMENT FROM DELEGATIONS FOR USE BY SECRETARIAT IN REVISING PROPOSED STRATEGY, BUT WAS NOT DEBATED OR AGREED, AS DOCUMENTATION LATE AND MOST DELEGATIONS UNINSTRUCTED.

3. POLICY GUIDELINES DEVIDED INTO FOUR GENERAL GROUPS: NUMBERS 1-3 PRODUCTION OF FOOD AND OTHER AGRICULTURAL COMMODITIES; NUMBERS 4-6 FOOD CONSUMPTION AND NUTRITION; NUMBERS 7-9 INTERNATIONAL TRADE IN AGRICULTRUAL COMMODITIES AND REQUISITES; AND NUMBERS 10-11 INTERNATIONAL AGRICULTURAL ASSISTANCE TO DEVELOPING COUNTRIES.

4. PROPOSED FOLLOW-UP ACTION INVOLVING MONITORING PROGRESS OF INTERNATIONAL AGRICULTURAL ADJUSTMENT WAS ALSO DISCUSSED. CONCERN EXPRESSED BY DELEGATES ABOUT DATA LIMITATIONS, BUT IMPROTANCE OF ESTABLISHING BENCHMARKS FOR MONITORING ADJUSTMENT AND MEANS OF IMPROVING COUNTRY DATA NOW SUPPLIES TO FAO BY GOVERNMENTS WAS EMPHASIZED. DATA WOULD BE ANALYZED BY PRESENT FAO STAFF. TENTATIVE PROPOSAL OF SECRETARIAT FOR ESTABLISHMENT SMALL EXPERT CONSULTATIVE GROUP TO REVIEW PERIODIC PROGRESS REPORTS IN DRAFT SO AS TO REFLECT GOVERNMENTS' VIEWS IN FINAL REPORT TO CONFERENCE DEBATED AT LENGTH. CONCLUSION REACHED THAT PRESENT EXECESSIVE NUMBER FAO COMMITTEES PLACES HEAVY DEMANDS ON BOTH GOVERNMENT REPRESENTATION AND SECRETARIAT. WORKING PARTY CONCLUDED THAT CCP SHOULD BE USED FOR THIS PURPOSE. POSSIBILITY THAT PROPOSED COMMITTEE ON WORLD FOOD SECURITY, AND PERHAPS OTHER FAO BODIES, WOULD HAVE INTEREST IN PROGRESS RELATING TO SELECTED GUIDELINES ALSO RECOGNIZED.

5. WORKING PARTY REVIEWED AND ADOPTED SECRETARIAT DRAFT UNCLASSIFIED

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REPORT OF MEETING, WHICH WILL BE FORWARDED TO SIXTY-SIXTH SESSION FAO COUNCIL JUNE 9-20, 1975 ALONG WITH TEXT OF REVISED GUIDELINES. THERE IS OPPORTUNITY FOR COUNCIL TO DIRECT CCP AT FIFTIETH SESSION IN OCTOBER TO DISCUSS REVISION OF CL/66/9 BASED ON WORKING PARTY REPORT AND NEW GUIDELINES, AS WELL AS ANNEX B - INDICATORS FOR MONITORING. CCP COULD TEN RECOMMEND CHANGES FOR CONSIDERATION BY COUNCIL AT SIXTY-SEVENTH SESSION IN NOVEMBER TO PERMIT CONSIDERATION

BY FAO CONFERENCE.

6. COMMENTS: ALTHOUGH PARTICIPATION LIMITED AND MOST DELEGATES UNINSTRUCTED, CONSENSUS REACHED BY AD HOC WORKING PARTY ON PROPOSED GUIDELINES LAID BASIS FOR CONTINUED WORK ON INTERNATIONAL AGRICULTURAL ADJUSTMENT. US DELEGATE BELIEVES REVISED TEXTS OF GUIDELINES GENERALLY CONSISTENT WITH WORLD FOOD CONFERENCE RESOLUTIONS AND US POSITION ON RELATIONS WITH DEVELOPING COUNTRIES IN OTHER FORA. RE GUIDELINE 1) - SECRETARIAT DRAFT LINKED PRODUCTION TARGET FOR LDCS TO A DECREASE IN THE PRODUCTION GROWTH RATE FOR DEVELOPED COUNTRIES. WORKING PARTY AGREED LINK SHOULD BE DROPPED. RE GUIDELINE 4) - AS FIRST PROPOSED BY YUGOSLAVIA, THIS NEW GUIDELINE WOULD HAVE REFERRED TO NEED TO REDUCE OVERCONSUMPTION IN DEVELOPED COUNTRIES. AT US INSISTENCE, THIS REFERENCE WAS DROPPED. RE GUIDELINE 9) - US AND CANADA SOUGHT TO RETAIN SECRETARIAT LANGUAGE ENCOMPASSING OTHER EFFORTS AIMED AT INCREASING FOREIGN EXCHANGE EARNINGS OF DEVELOPING COUNTRIES NOT SPECIFICALLY LINKED TO AGRICULTURAL TRADE. PROPOSAL MET WITH SOME SYMPATHY AND MIGHT WIN ACCEPTANCE IF REINTRODUCED.

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7. ACTION: IN LIGHT OF OUTCOME, DRAFTERS OF US POSITION

PAPER ON INTERNATIONAL AGRICULTURAL ADJUSTMENT FOR JUNE  
FAO COUNCIL SESSION, MAY WISH TO CONSIDER INCORPORATING FOLLOWING POSITION: THE US DELEGATION MAY PROPOSE THAT REVISED GUIDELINES AS ADOPTED BY AD HOC WORKING PARTY AND THE REPORT OF THE SESSION PREPARED BY THE SECRETARIAT, ALONG WITH APPROPRIATE REVISION OF DOCUMENT C66/9, BE CIRCULATED TO GOVERNMENTS AND PLACED BEFORE THE CCP IN OCTOBER FOR DISCUSSION AND RECOMMENDATION TO COUNCIL.

8. FOR INFORMATION US DELEGATES TO FAO COUNCIL, REVISED FIEDELINES FOLLOW:

1) THE AVERAGE ANNUAL RATE OF INCREASE IN FOOD PRODUCTION IN DEVELOPING COUNTRIES DURING THE NEXT DECADE SHOULD RISE AT LEAST TO MATCH THE GROWTH IN DEMAND FOR FOOD IN THOSE COUNTRIES WHICH IS PROJECTED TO INCREASE AT 3.4 PERCENT PER YEAR.

2) THE TSSAL FLOW OF FINANCIAL RESOURCES INTO AGRICULTURAL PRODUCTION NEEDS TO BE GREATLY INCREASED, ESPECIALLY FOR UNCLASSIFIED

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EXPANSION AND DIVERSIFICATION OF PRODUCTION IN DEVELOPING COUNTRIES.

3) NATIONAL POLICIES SHOULD PROVIDE INCENTIVES TO FARMERS TO EXPAND PRODUCTION AND SHOULD FOSTER THE ADAPTATION OF STRUCTURES WITHIN FARMING BOTH TO PERMIT OPTIMUM USE OF AVAILABLE AND SUITABLE TECHNOLOGY AND ALSO TO PROMOTE FULLER INTEGRATION OF THE RURAL POPULATION INTO THE NATIONAL ECONOMY.

4) INTEGRATED NUTRITIONAL POLICIES NEED TO BE IMPLEMENTED IN ALL COUNTRIES TO IMPROVE FOOD CONSUMPTION PATTERNS FOR ALL SOCIO-ECONOMIC GROUPS.

5) SPECIAL ECONOMIC AND SOCIAL POLICY MEASURES ARE NEEDED TO IMPROVE NUTRITIONAL LEVELS FOR UNDER-NOURISHED SEGMENTS OF THE POPULATION, ESPECIALLY FOR THE POOR AND OTHERWISE VULNERABLE GROUPS.

6) DEVELOPING COUNTRIES WITH PERSISTENTLY WEAK BALANCE OF PAYMENTS SHOULD AS FAR AS POSSIBLE FAVOUR, ESPECIALLY WITHIN THE EXPANDING URBAN POPULATIONS, THE CONSUMPTION OF FOOD WHICH CAN BE FEASIBLY PRODUCED LOCALLY OR REGIONALLY.

7) ACCESS TO MARKETS AND ASSURANCE OF SUPPLIES MUST BOTH BE PROGRESSIVELY IMPROVED IN ORDER TO UNDERPIN THE DYNAMIC UPWARD TREND IN THE VOLUME OF TRADE IN AGRICULTURAL COMMODITIES AND AGRO-BASED PRODUCTS REQUIRED FOR RATIONAL

INTERNATIONAL ADJUSTMENTS IN AGRICULTURE.

8) IN ORDER TO ENSURE WORLD FOOD SECURITY, STABILITY OF MARKETS AND PRICES REMUNERATIVE TO PRODUCERS AND FAIR TO CONSUMERS, ADEQUATE MEASURES SHOULD BE TAKEN IN THE FIELD OF AGRICULTURAL COMMODITIES, AGRO-BASED PRODUCTS AND AGRICULTURAL PRODUCTION REQUISITES.

9) PARTICULAR ATTENTION AND SPECIFIC TRADE-ORIENTED POLICY MEASURES ARE NEEDED TO ENSURE A SUBSTANTIAL INCREASE AND DIVERSIFICATION IN THE AGRICULTURAL PRODUCTION AND EXPORT EARNINGS OF DEVELOPING COUNTRIES.

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10. TRANSFERS TO DEVELOPING COUNTRIES OF RESOURCES AND TECHNOLOGY REQUIRED FOR EXPANSION OF THEIR PRODUCTION OF FOOD AND OTHER AGRICULTURAL COMMODITIES NEED TO BE INCREASED TO ANY EQUIVALENT OF AT LEAST BEGIN BRACKETS US \$ 5 BILLION (1) END BRACKETS ANNUALLY DURING THE PERIOD 1975-80 FOR ON-FARM EXPENDITURES ALONE.

(1) STUDIES MADE FOR THE WORLD FOOD CONFERENCE ESTIMATED THAT ABOUT US \$ 5 TO 6 BILLION ANNUALLY WOULD BE REQUIRED IN EXTERNAL FINANCING FOR THIS PURPOSE DURING THIS PERIOD.

11) FOOD AID SHOULD HAVE A CLEARLY DEFINED ROLE IN THE TRANSFER OF ADDITIONAL RESOURCES TO DEVELOPING COUNTRIES, WITH COMMODITIES AND/OR FINANCIAL ASSISTANCE TO ENSURE A VOLUME OF AT LEAST 10 MILLION TONS OF GRAIN AS FOOD AID PER YEAR AND ADEQUATE QUANTITIES OF OTHER FOOD COMMODITIES, STARTING IN 1975, FOR AS LONG AS CONSIDERED NECESSARY. DALE

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## Message Attributes

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